

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

4th September, 1941.

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NEW SOUTH WALES (AUSTRALIA)  
MONTHLY DIGEST OF BUSINESS STATISTICS.  
September, 1941.

GENERAL. Political disturbances of recent weeks, which made Mr. Fadden Prime Minister in place of Mr. Menzies, may have delayed planning of future activities but did not check the momentum with which war industries are developing. Employment, wage-earnings, production and trade are all at record levels, industrial share-prices are at the highest point in 1941 and general confidence stands high. Problems of man-power loom larger and are being examined by the Depts. of Labour and of War Organisation of Industry. Restrictive wartime regulations have affected overseas trade, building, and the motor trade and are likely to extend in ways giving greater control over some forms of consumption. The severity of petrol rationing has caused increased interest in production and use of substitute fuels. Dry conditions in rural areas have been partly relieved but although crops and pastures are mostly fairly satisfactory the outlook is still uncertain.

External developments - possible trade openings with Russia, Mr. Churchill's and Mr. Roosevelt's Atlantic declaration, and protective measures taken in Iran and the Far East-affect Australia's immediate trade prospects and the long term economic outlook.

EMPLOYMENT. New records in employment are being created in N.S.W. month after month. The increase of 78,600 (9.4 p.c.) during the war period considered in conjunction with the absorption of something like 100,000 men for overseas and home defence services provides some measure of the war effort in terms of manpower. Still more normally non-employment-seeking persons will be needed as well as transfers from unessential civilian to war industries. Adult males registered as unemployed numbered 15,955 in July, 1941 compared with 52,851 in August, 1939. As the following statement reveals, the rising trend of employment derives its force from the development of war industries:-

Middle week of	ALL EMPLOYMENT.			EMPLOYED BY FIRMS WITH TEN OR MORE EMPLOYEES.						
	Total Employment.	Private Employment.	In All Factories.a.	Mines	Retail Trade.	Wholesale Trade.	Offices & Commerce.	Ship'g & Road Trnspt.	Personal Services.b.	Other Industries.
	Number of Persons employed - Thousands.									
August, 1939	831.8	680.3	228.7	21.7	51.3	25.4	27.1	20.7	30.1	18.5
July, 1940	864.0	708.3	244.3	21.1	52.1	25.9	28.1	21.6	30.2	19.9
May, 1941	906.6	743.6	272.2	20.9	53.2	26.7	29.2	22.6	31.0	18.0
June, "	908.7	748.5	276.3	20.8	53.1	26.6	29.0	20.7	31.8	17.6
July, " x	910.4	746.7	278.7	21.0	54.3	26.3	28.9	21.2	31.1	17.6
Increase ø to x %	9.4	9.8	21.9	-3.2	5.8	3.5	6.6	2.4	3.3	-4.9

a. Includes working proprietors. b. Includes hospitals, professions, amusements, hotels, &c.

FACTORIES.

The number of persons employed in factories (278,700) in mid-July, 1941 was 54 p.c. above the average in the best pre-depression year (1928-29). Employment in munitions factories is still increasing and large new aircraft engine and assembly plants are working. New State shipbuilding yards are being established at Newcastle. Iron and steel production has expanded, special types of steel are being made and steel prices continue at the pre-war level and are lowest in the world. Coal production has been affected by industrial stoppages and new Coal Control Regulations give the Government complete control over the industry.

Increases in employment in such industries as chemicals, metal working, rubber, etc. are obviously identified with expanding production of war goods, and that influence extends in other directions - e.g., box makers (in wood working) and leather workers (28½ p.c. greater in number than in Aug., 1939) are very busy on war work. Trends in employment in factories in N.S.W. are illustrated by statistics relating to employees in enterprises with ten or more employees:-

/Table.



Middle week of -	Cement, Bricks, Glass, etc.	Chemicals.	Industrial metals	Textiles & Clothing.	Food and Drink	Wood-working, &c.	Paper & Printing.	Rubber.
	Persons employed in factories with ten or more employes - Thousands.							
Aug., 1939 (a)	11.51	7.24	61.78	36.96	27.96	9.89	14.81	3.68
July, 1940	12.18	8.72	68.37	39.66	28.61	9.51	14.95	4.08
June, 1941	13.07	9.48	88.03	41.80	30.70	10.71	14.84	4.62
July " (b)	13.25	9.45	89.31	41.94	30.79	10.98	14.75	4.60
Increase (a) to (b) %	15.11	30.52	44.56	13.47	10.12	11.02	(- ) 0.41	25.00

The development is responsible for greater consumption of gas and electricity in Sydney and suburbs than ever before and war work has a part in the increase in the value of sales in a group of large factories:-

<u>Gas and Electricity</u>	Index No.		<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
<u>Consumed (Sydney).</u>	1929-31 = 100.	July.	126	134	139	149
<u>42 Large Factories.</u>	Smillion.	June	2.94	3.01	3.08	4.02
<u>Value of Sales.</u>		Jan.-June.	18.64	18.26	20.41	24.06

TRADE AND  
COMMERCE.

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MERCE.

Unprecedented Government spending and industrial activity are the prime causes in the record level of bank clearings and the buoyancy of internal trade. Retail traders met heavy demands in May and June when consumers developed lively fears of coming shortages of some civilian goods due to concentration of plant on war orders. The Sydney Stock Exchange has been very strong - ordinary company share prices were at their best level of 1941 at the end of August - and real estate transactions are inclined to increase. Some comparative particulars are:-

	Bank Clear- ings (Sydney)	Stock Exch- ange (Sydney)	Wholesale Trade, N.S.W.		Retail Trade (Sydney)	Real Estate (N.S.W.)	
	Amount	Ord. Shares.	Sales.		Sales.	Sales.	Mortgages.
	Jan.-July.	July.	May	Jan.-May.	June Qr.	Jan.-July.	
	£mill.	Index No. Par. Val.=100	£m.	£m.	Index No. 1931=100.	£m.	£m.
1938	541.6	179	16.9	79.4	137	21.5	15.6
1939	526.7	176	17.5	78.8	133	19.4	13.4
1940	623.0	151	14.8	80.7	142	17.9	10.7
1941	651.1	168	18.8	88.5	175	19.2	9.2

THRIFT. There is evidence of increased spending power; average weekly earnings of all persons employed in firms with ten or more employees were £4.17s. in June, 1941, compared with £4.9s. in June, 1940 and £4.6s. in June, 1939. However, much money has gone into savings which latterly have increased at a greater rate than ever before. Deposits in savings banks on July 31, 1941 (£88.52 m.) were a record. Recent movements in these and in purchases of war savings certificates were as follow:-

<u>1940 and 1941.</u>	<u>July-Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May.</u>	<u>June</u>	<u>July.</u>
Savings Deposits $\phi$ £000	2,773	688	602	602	-245	-886	1654	772
" Certificates $\times$ £000.	<u>2,654</u>	<u>156</u>	<u>179</u>	<u>215</u>	<u>159</u>	<u>300</u>	<u>392</u>	<u>...</u>
Total	5,427	844	781	817	-86	-586	2046	...

Ø Excess of deposits over withdrawals. <sup>x</sup> Purchases at cost less repayments.

Life assurance policies assuring the sum of £21.5 m. were issued in N.S.W. in 1940-41. Ordinary life policies decreased compared with the preceding year by 15.7 p.c. in number and 20.1 p.c. in amount but industrial life policies decreased only 5.5 and 7.5 p.c. respectively.

<u>New Business</u>	<u>Ordinary Life Policies.</u>				<u>Industrial Life Policies.</u>			
	1937-38.	1938-39.	1939-40.	1940-41.	1937-38	1938-39	1939-40	1940-41.
Number (000)	54.9	50.8	50.5	42.6	169.0	158.7	156.8	146.3
Amount Assured (£m.)	18.2	17.3	18.2	14.5	7.8	7.5	7.5	7.0

FINANCE. Money continues in cheap and adequate supply for all essential purposes meeting the aims of Government policy. On the stock exchange prices of Government securities have eased a little recently but otherwise the interest yield is about as low as at any time for very many years.

<u>Commonwealth Loans.</u> <sup>ø</sup>		<u>Av.1938.</u>	<u>Av.1939.</u>	<u>1941, Mar.26.</u>	<u>June 25.</u>	<u>Aug.27.</u>
		Interest yield - Shgs. & pence per £100 p.a.★				
<u>5-10 Yrs:</u>	Fully Taxed	-	-	62.10	59.7	63.11
	Part "	74.2	77.5	58.9	57.6	58.3
<u>Over 10 Yrs:</u> Part Taxed.		74.7	78.5	60.6	60.9	63.2

- ★ Weighted average calculated on earliest date of maturity (including redemption.)  
 ø Interest not taxed by State; on "Fully" taxed loans interest is subject to full Commonwealth taxation, but on "Part" taxed is liable to taxation only at rates applying in 1930.

Loans for works other than for defence (State, Federal and semi-Governmental) are to be limited to £20 m. in 1941-42 compared with £25 m. in 1940-41.

On mortgages the average rates of interest show little movement and in May-July were 4.9 p.c. on rural and 5.5 p.c. on urban first mortgages compared with 5.5 and 5.8 p.c. respectively in Dec., 1939.

PUBLIC FINANCE. State and Federal budgets have yet to be presented. Revenues are buoyant. In N.S.W. revenue in July 1941 (first month of the new financial year) was 13 p.c. greater than in July, 1940 while expenditure increased only 3.7 p.c.

TRANSPORT. Record earnings of State railways and tramway and omnibus services have helped improve the State budgetary position. Both services covered all working and capital charges in 1940-41, due to increased traffic promoted by industrial expansion and other war activities.

Very severe rationing of petrol has brought new motor vehicle sales almost to a standstill, and caused many owners to refrain from renewing registration of cars, etc. But it also has directed attention to substitute fuels; small private plants to extract petrol from shale are being established; more producer gas units are being sold and charcoal production is increasing. Additional tankers secured in July will help increase reserves of spirit in Australia.

			<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
<u>N.S.W. State Railways.</u>						
Passengers	Mill.	Year	189.3	186.7	179.1	194.1
Goods Ton mileage	"	ended	1938	184.2	1914	2211
Working Surplus	£000	June	5726	4603	5308	6054
<u>State Trams &amp; Buses.</u>						
Passengers	Mill.		371	375	378	407
Working Surplus	£000	do.	736	667	700	858
<u>Motor Vehicles:</u>						
New Motor Sales No.p.wk.		July	513	438	123	62
On Register Cars	000	July	205.2	216.2	206.7	197.5
Lorries &c.		31	73.1	77.3	75.0	75.1



BUILDING. In July 1941 building permits in Sydney and suburbs (£1.24 m.) were above the recent average. The value of proposed houses was a record for any month of recent years. Tendencies have been toward a revival in house and flat building (which was only moderately depressed early in the war) continued activity in erection of factory premises, and a pronounced decline in non-residential buildings of other kinds (reflecting official control.) Public building has been considerable and this added to private building indicates activity approaching the best post-depression level.

#### BUILDING INDUSTRY - N.S.W.

	Permits Granted for Private Buildings.						Contracts for Public Buildings in N.S.W.
	Sydney.		129 Rural Indust- rial Towns.	7 Semi- urban Shires.	Total of Foregoing.	Dwellings Units to be Provided.	
	City.	Suburbs.					
	£000	£000	£000	£000	£000	Number	£000
Year, '38-39	2,798	10,535	4,854	1,099	19,286	16,995	.....
'39-40	1,516	9,921	3,907	1,146	16,490	14,228	2,590
'40-41	1,419	10,587	3,479	1,144	16,629	14,614	3,772
June Qr. '39	429	2,800	1,126	292	4,647	4,130	.....
'40	262	2,717	1,015	305	4,299	3,915	850
Mar. Qr. '41	156	2,201	712	243	3,312	3,195	825
June " "	217	3,017	960	327	4,521	4,193	907

#### BUILDING SOCIETIES.

A few new co-operative building societies have been formed but development is retarded by difficulty in arranging finance. Loans approved in June Qr., 1941 (£506,000) were greatest in amount of any quarter since Dec. Qr., 1939. There are now 204 societies registered. These have approved loans totalling £12,509,000 (net) to 16,933 members of which £11,841,000 has been advanced. This has enabled - inter alia - the building of 9,775 new houses, purchase of 6,084 existing (50 to 60 p.c. new) houses and re-financing of 1335 mortgages over houses.

#### CO-OPERATIVE TERMINATING BUILDING SOCIETIES - N.S.W.

		<u>At Dec.,</u> <u>31, 1939.</u>	<u>Jan.-June,</u> <u>1940.</u>	<u>July-Dec.,</u> <u>1940.</u>	<u>Mar. Qr.</u> <u>1941.</u>	<u>June Qr.</u> <u>1941.</u>	<u>At June</u> <u>30, 1941.</u>
Members	000	19.25	.24	.38	.77	.31	20.96
Shares	000	248.8	4.9	10.3	12.7	5.7	282.4
Advances made	£000	9149	1129	819	355	389	11,841

#### RURAL INDUSTRIES.

In each of the last five months rainfall was below normal over practically the whole of the State. Showers have kept wheat crops from failing and in limited areas have given some growth to pastures, but there is urgent need of copious rains to charge the subsoil with a reserve of moisture for the spring and summer. Butter production is lighter than the low level usual at this time of the year. Dairy pastures generally are in poor condition. Export prospects are uncertain but production is being adapted and maintained with the help of arrangements for purchase and storage of exportable surpluses for which shipping cannot be obtained. It is hoped Australia's trade delegation now in U.S.A. may negotiate agreements which will open new avenues for disposal of export products.

## THE WORLD WHEAT SITUATION.

(The Washington Conference has been postponed indefinitely. On July 31 stocks in principal exporting countries were a record. N. America will reap large 1941 harvest and in July 1942 the world surplus may be 1,500 m. bus. - nearly 3 normal years supply and more than four times world imports in 1940-41. The U.S.A. wheat acreage allotment for 1942 is the smallest the law allows.

Prices bear no relation to supply and demand, are much higher in U.S.A. than elsewhere, and are steady in London. The local market is quiet. Wheat for export flour is dearer.)

INTERNATIONAL  
CONFERENCE.

An official statement issued in Washington early in August indicated that a draft wheat agreement was being submitted to participating Governments. Delegates had recognised the need for equitable sharing of world markets, controlling production, and planning for post-war adjustments, but the Conference did not reassemble on Aug. 18 as decided and has been postponed indefinitely. It is unlikely, therefore, that an international plan to meet the problems of wheatgrowing can be brought into operation for still another year. Unilateral action will probably effect some movements toward necessary adjustments. Australia's wheat stabilisation plan, the United States national acreage allotment for 1942 (set at the minimum determinable - 55 m. acres - and 7 m. acres less than in 1941) together with measures taken in Canada to curtail wheat growing (see B.S. 1941/5A, p.7) will perhaps check the rising trend of surplus stocks of wheat. These, however are equal to requirements of about two peace-years.

WORLD STOCKS. Wheat available for export in the four principal exporting countries at 31st July, 1941 (end of world wheat year) was 1,077 million bushels. Most of this wheat is in North America, and surpluses from crops now being harvested will give Canada and the United States the greatest supplies of wheat ever held. Particulars of stocks at 31st July show how wheat has accumulated in recent and especially during the war years:-

## END-OF-SEASON EXPORTABLE STOCKS OF WHEAT - PRINCIPAL EXPORTING COUNTRIES.

Year ended July -	<u>U.S.A.</u>	<u>Canada.</u>	<u>Australia.</u>	<u>Argentina.</u>	<u>Total</u> <u>4 Countries.</u>
	Millions of bushels.				
1937	83	33	25	45	186
1938	153	24	34	72	283
1939	252	95	42	230	619
1940	282	273	107	75	737
1941	390	490	42	155	1077

U.S.A. and Canada together will have now crop surpluses exceeding probable world import demand in 1941-42 and it seems likely that a year hence world end-of-season exportable stocks will be roughly 1500 m. bus.

PRODUCTION  
1941-42.

Estimates of wheat production in the United States (where most of the grain is garnered) and in Canada (harvesting) are probably reasonably reliable, and compare with production in earlier years as follow:-

	<u>Av.1929-33.</u>	<u>Av.1934-38.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
	Millions of bushels.				
U.S.A. Winter	573	559	563	589	685
Spring	210	158	192	228	266
Canada	<u>354</u>	<u>263</u>	<u>521</u>	<u>551</u>	<u>290?</u>
	<u>1137</u>	<u>980</u>	<u>1276</u>	<u>1368</u>	<u>1241</u>

In Argentina 17.57 m. acres were sown with wheat (1st estimate) compared with an average of 17.9 m. ac. in 1933-37. Abundant rain preceded and followed sowing and wheat crops have developed well. Australia has experienced much dry weather but showers have carried crops forward. Owing to absence of sub-soil moisture

/crops.....



crops could not withstand a hot dry spring, except in Western Australia, where the wheat crops are their best for several years. Particulars of area sown are not yet available, but it is expected to be rather less than in 1940-41 (i.e., 12.45 m.ac.)

In Europe rain delayed harvesting in the western and central countries. Crop news is not reliable, but Broomhall believes Europe (ex Russia) will produce a moderate harvest somewhat greater than in 1940 but otherwise smaller than in other recent years. He reports that the Balkan Countries will have very little surplus grain. Italy's claim to a good harvest is discounted. Spain and Portugal each have poor crops. The International Institute of Agriculture (Rome) puts European production at 1,600 m. bus. and the United States' Dept. of Agriculture suggests 1,461 m.b. as the likely yield. Algeria, Morocco and Tunisia will have larger harvests than in 1940. The final estimate for All India (373.5 m. bus.) differed little from earlier forecasts.

#### WORLD TRADE IN WHEAT.

Shipments of wheat increased in the last few months of the cereal year and world exports (excluding Australia) for 1940-41 were given by a trade source at 309.4 m. bus. Figures for Australia are not available but it is probable that the world total was somewhat above Broomhall's revised forecast of 320 m. bus. Nevertheless this rate of disposal lags far behind that of accretions to stocks, and shows a decrease of about 40 per cent. in comparison with the pre-war year 1938-39.

		<u>1937-38.</u>	<u>1938-39.</u>	<u>1939-40.</u>	<u>1940-41.</u>
World Exports of wheat,	mill.				
excluding Australia.	bus.	Abt.400	506.8	447.9	309.4

Trade figures show an average of 5.3 m. bus. a week for wheat shipped in the five weeks ended Aug. 30 compared with nearly 9.5 m. bus. a week in June Qr., 1941 and the peace-time average of upwards of 12 m. bus. a week.

Beside Britain, now the only really big import market, Spain, Portugal and Mexico are reported to have made wheat purchases. Trade with Oriental countries has fallen away badly, and this is ascribed to political causes, low purchasing power in China and the high cost of wheat (reflecting heavy freight charges) as well as physical difficulties of ocean transport. Australia exported a good deal of wheat to Siberia in 1937-38 and 1938-39 and it is possible that Russia may absorb quantities of Australian wheat again. Indications are that there will be little unsold wheat to carry-over in Australia on Nov. 30, 1941 when the new (1941-42) crop will be coming in.

PRICES. Prices of wheat bear no relationship to the supply and demand situation but are maintained by arbitrary measures, and display striking disparities. For instance buyers in Chicago were obliged to pay (Aug.30) 117 $\frac{3}{8}$  cents a bus. for Dec. options, whereas the quotation in Winnipeg was only 74 $\frac{1}{2}$  cents a bus. Commodity markets in U.S.A. have been very active and wheat has shared in recent gains. The high loan rate and "parity price" tend to keep wheat off the market. The rumour that U.S.A. surplus wheat stocks would be "frozen" till after the war was refuted but this had little effect on prices.

In London on the Baltic Exchange prices have changed very little for several months. Australian has been quoted at 27s. 6d. without change all this year but Canadian has cheapened about 2s. a quarter in the last six months.

#### PRICES OF WHEAT PARCELS - LONDON BAL TIC EXCHANGE.

	<u>June,</u> <u>1937.</u>	<u>Aug.,</u> <u>1938.</u>	<u>Aug.,</u> <u>1939.</u>	<u>Aug.,</u> <u>1940.</u>	<u>Apr.,</u> <u>1941.</u>	<u>July,</u> <u>1941.</u>	<u>Aug.,</u> <u>1941.</u>
Shillings and pence per Qr. (8 bus.) (end of Month)							
No.1 Manitoba	51 7 $\frac{1}{2}$	27. 0	u.o.	32 6	32 9	31 4 $\frac{1}{2}$	31 0
Rosafe (Atine)	u.o.	27 3	18 9	u.o.	20 9	21 0	21 0
Sth. Australian	45.0	26 3	20 0	26 9	27 6	27 6	27 6

u.o. Unoffered.

/LOCAL.....

LOCAL TRADE. The local market has been enlivened by intermittent buying of wheat for milling for export. The Wheat Board has increased the price of wheat for flour for export to certain Island and Far Eastern markets and for non-Government orders for the Middle East, Palestine, Egypt and India, from 3s.11 $\frac{1}{4}$ d. to 4s.3 $\frac{1}{4}$ d. a bushel, ex trucks, at ports. For bulk wheat for local flour the price has been unchanged at 3s. 11 $\frac{1}{4}$ d. a bushel, ex trucks, Sydney since August, 1940, and compares with 2s.3 $\frac{3}{4}$ d. quoted by shippers in August, 1939. Other comparisons are:-

PRICES OF BULK WHEAT - SYDNEY.

Monthly Average - Per Bushel, ex Trucks, Sydney.  $\phi$   
(Excluding bounty and including storage charges when payable).

	Av. for season.	Dec.	Mar.	May.	June.	July.	Aug.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1933-34	2 9	2 7	2 6	2 7	2 9	2 11	3 3
1936-37	5 3	5 4	5 4 $\frac{1}{2}$	5 4	5 1	5 7	5 3 $\frac{1}{2}$
1938-39	2 5	2 6	2 4	2 7	2 5	2 3 $\frac{1}{2}$	2 3
1939-40	3 10 $\frac{1}{2}$	3 5	3 9 $\frac{1}{2}$	4 0	4 0	4 0	3 11 $\frac{1}{4}$
1940-41	-	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$

$\phi$  Shippers' offers to Dec., 1939. Aust. Wheat Board's price for wheat for local flour subsequently.

PAYMENTS TO  
GROWERS.

Advances made to wheatgrowers for wheat delivered into No. 4 Pool (1940-41 wheat) amount to 3s.4d. for bagged and 3s.2 $\frac{1}{2}$ d. for bulk wheat, less rail freight; equivalent to approximately 2s.9 $\frac{1}{2}$ d. per bushel at country siding. No announcement has been made by the Aust. Wheat Board, but it is understood a further payment is likely to be made.

FLOUR. No large contracts for flour for export have been reported, but purchases of wheat for gristing for oversea orders suggest that the regular trade with the Islands and certain Asiatic and African countries is being maintained. The price of flour sold in local trade has been £12.13s. a ton since Nov. 14, 1940. This price is inclusive of flour tax at the rate of £2.8s.10d. a ton (unchanged since Oct. 23, 1940).

AUSTRALIAN  
WHEAT  
EXPORTS.

Particulars of the quantity of wheat and flour exported from Australia are not available for publication, but in the eleven months ended May, 1941 the value of exports of these exceeded £A15.5 m., and was 46 per cent. greater than in July-May, 1939-40. Corresponding information for N.S.W. is not available.

VALUE OF EXPORTS OF WHEAT (AND FLOUR) FROM AUSTRALIA.

		July-May. 1938-39.	1939-40.	1940-41.
Wheat	£000	7,957	6,076	8,701
Flour	£000	4,132	4,550	6,812
Total	£000	12,089	10,626	15,513